



Enabling Accurate, Useful, Real Benchmark Comparisons

Service Leadership
Predominant Business Models®

The Service Leadership Index™

Why S-L Predominant Business Models[©]?

Billable utilization is the key to Solution Provider profitability.



Different services have different utilization characteristics which result in different business cultures and best practices — different S-L Predominant Business Models[©] (PBMs).



Once you have identified the S-L Predominant Business Model[©], you can compare results and identify applicable best practices.

Predominant Business Models enable apples-to-apples benchmarks on actionable business drivers that allow accurate measurement of how well management techniques and best practices are working.

Distinct Utilization Patterns

S-L Predominant Business Model[®]

Product-Centric

Technical Svcs

Project Services

Managed Svcs

Shared Svcs

Infra-Balanced

Apps-Balanced

Technical Svcs

Project Services

Managed Svcs

Infrastructure Services

Applications Services

Utilization Pattern

(Varies, often not material.)

(Similar to MS but adds capital expense challenges.)

(Mixture of the above.)

(Mixture of the below.)

(Also adds capital expense challenges.)

10 S-L Predominant Business Models[®]

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Apps-Balanced

Technical Svcs

Project Services

Managed Svcs

Infrastructure Services

Applications Services

Business Culture

Attaining product volume commitments paramount. Services margin sometimes sacrificed to win/keep product deals.

Ad hoc times & material services, staff augmentation, block time, and other billable hour services where efficiency is not directly rewarded.

The engagement is defined by a scope of work with a clear beginning and ending, and the SP is committed to a successful implementation.

Services which are strictly billed on a scalable (unit based) flat fee and governed by a service level agreement. Efficiency yields higher GM%\$

Managed Services in which the SP makes a capital investment in equipment which is then fractionally leased to customers: data center, hosting, etc.

This business model applies when the SP does most or all of the above and none are materially bigger than the other.

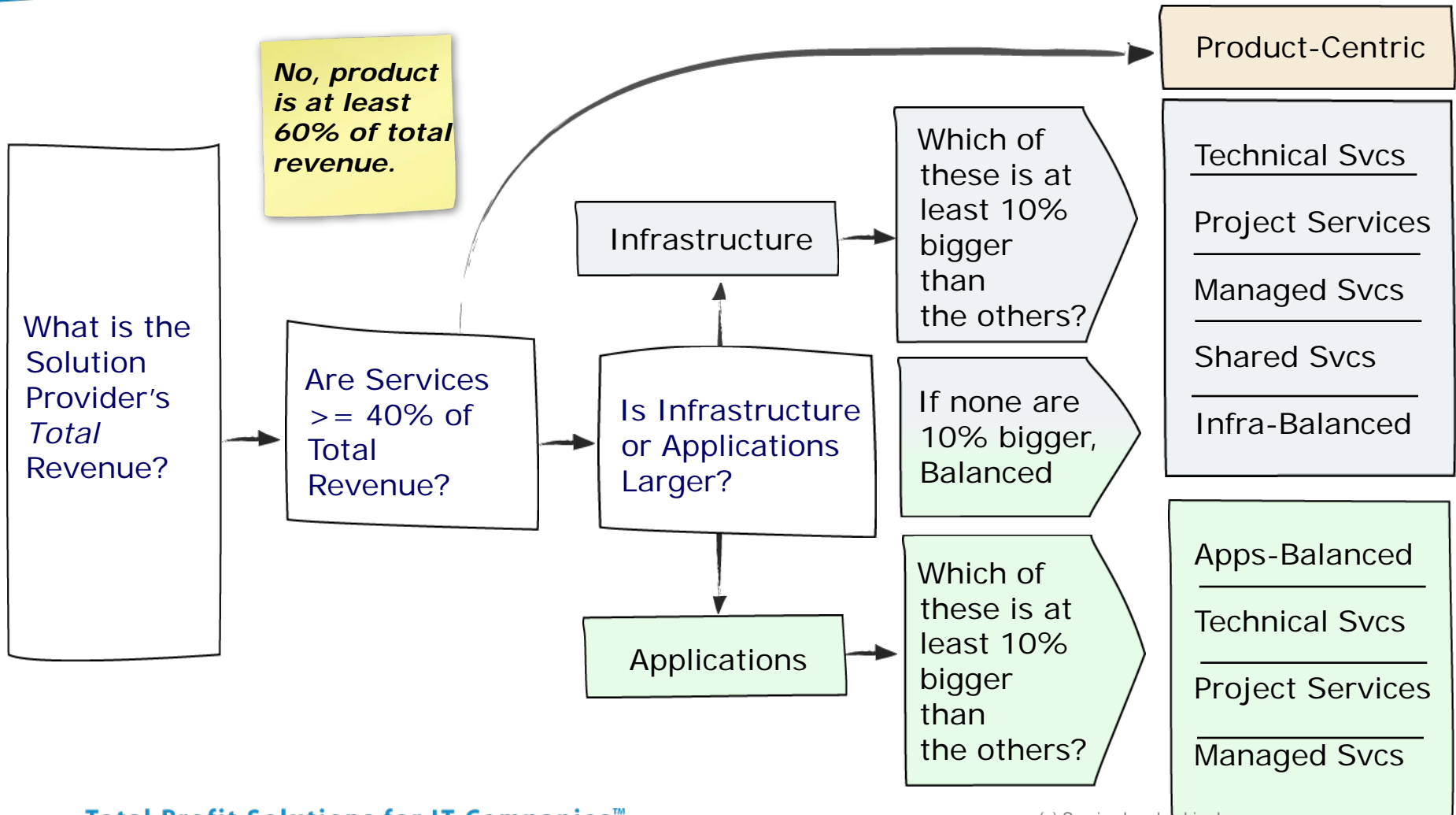
This business model applies when the SP does most or all of the below and none are materially bigger than the other.

Ad hoc times & material services, staff augmentation, training, documentation, and other billable services; efficiency not directly rewarded.

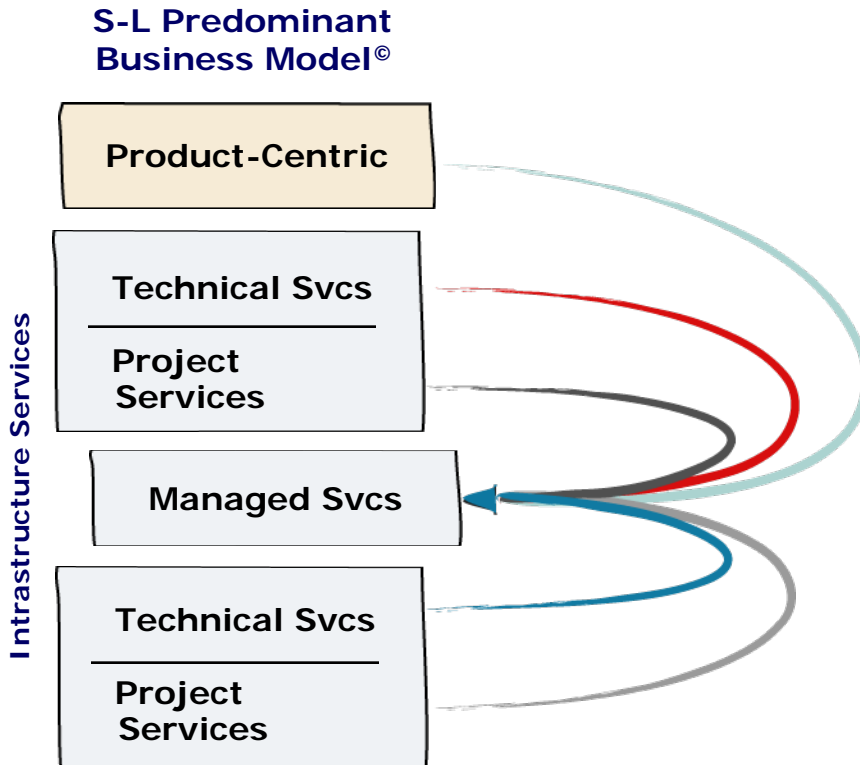
The engagement is defined by a scope of work with a beginning and ending, and the SP is committed to a successful construction or implementation.

Software-as-a-Service (SaaS) in which the SP owns the Software.

Identifying the S-L Predominant Business Model[®]



Your Path to Next S-L Predominant Business Model[®]

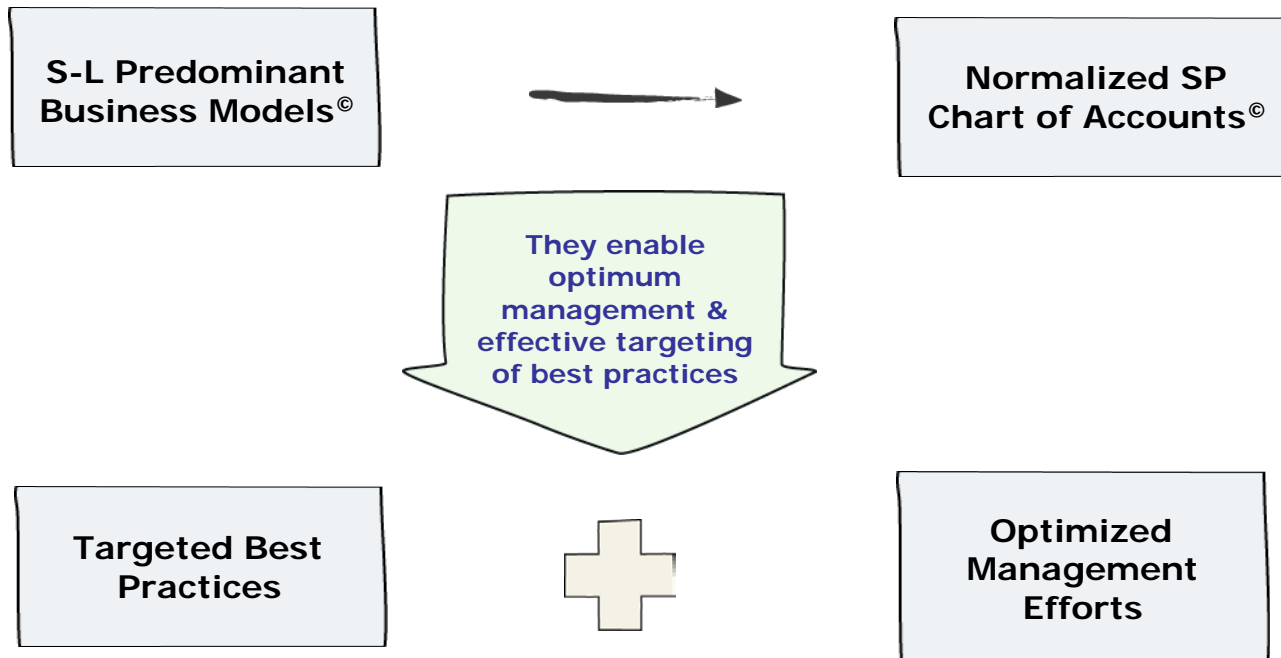


Your Starting Point Determines Your Path to Desired PDM
For example:

- Most Infrastructure-centric Solution Providers are pursuing a path to Managed Services.
- Their starting business model determines the path they take, and the best practices they require.
- Even two Solution Providers starting with the same S-L Predominant Business Model[®], will take differing amounts of time and have different levels of success.

Enabling True SP Comparison

S-L Predominant Business Models[®] enable
a Normalized SP Chart of Accounts[®]



Typical SP Chart of Accounts (CoA)

Poor SP CoA

Product Revenue

Service Revenue

Total Revenue

Product COGS

Gross Profit

Payroll (Services, Sales, Admin)

Other Expenses

Total Expenses

Profit

*Unable to perform
useful Analysis, much
less comparison.*

Poor SP CoA

Product Revenue

Service Revenue

Total Revenue

Product COGS

Gross Profit

Payroll (Services, Sales, Admin)

Other Expenses

Total Expenses

Profit

Normalized SP CoA

Product Revenue

Service A Revenue

Service B Revenue

Total Revenue

Product COGS

Service A COGS (Payroll)

Service B COGS (Payroll)

Total COGS

Product GM

Service A GM

Service B GM

Total GM

Sales and Marketing Expense

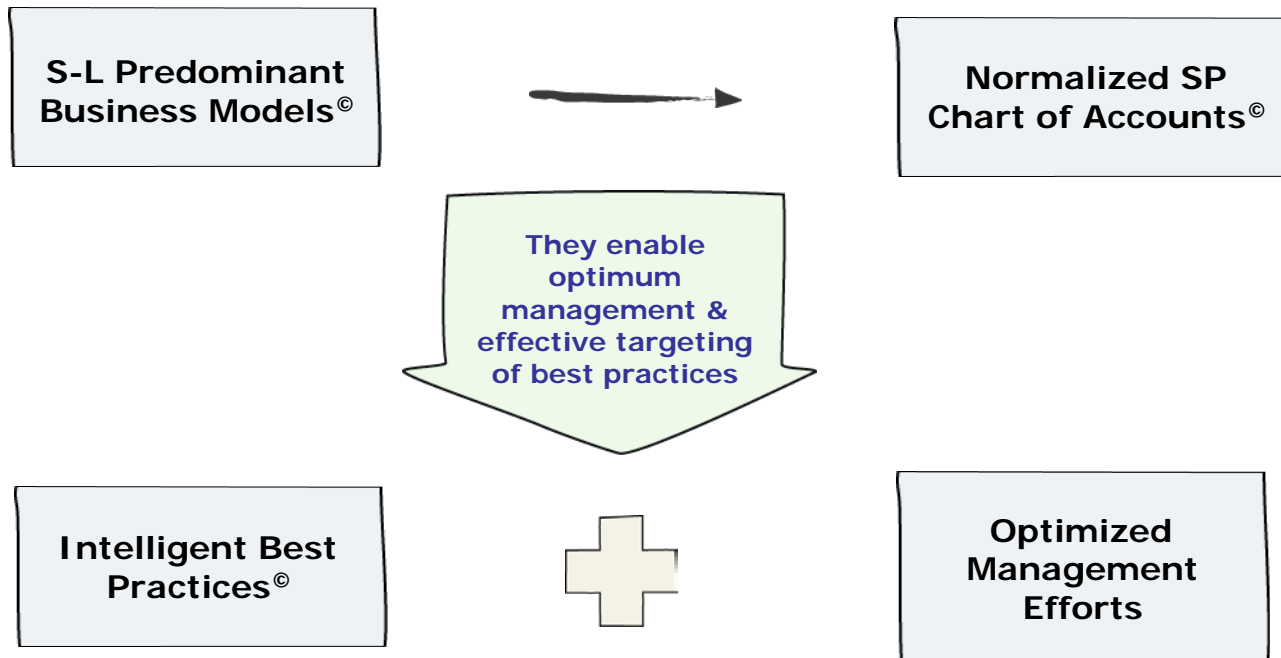
Other Expenses

Total Expenses

Profit

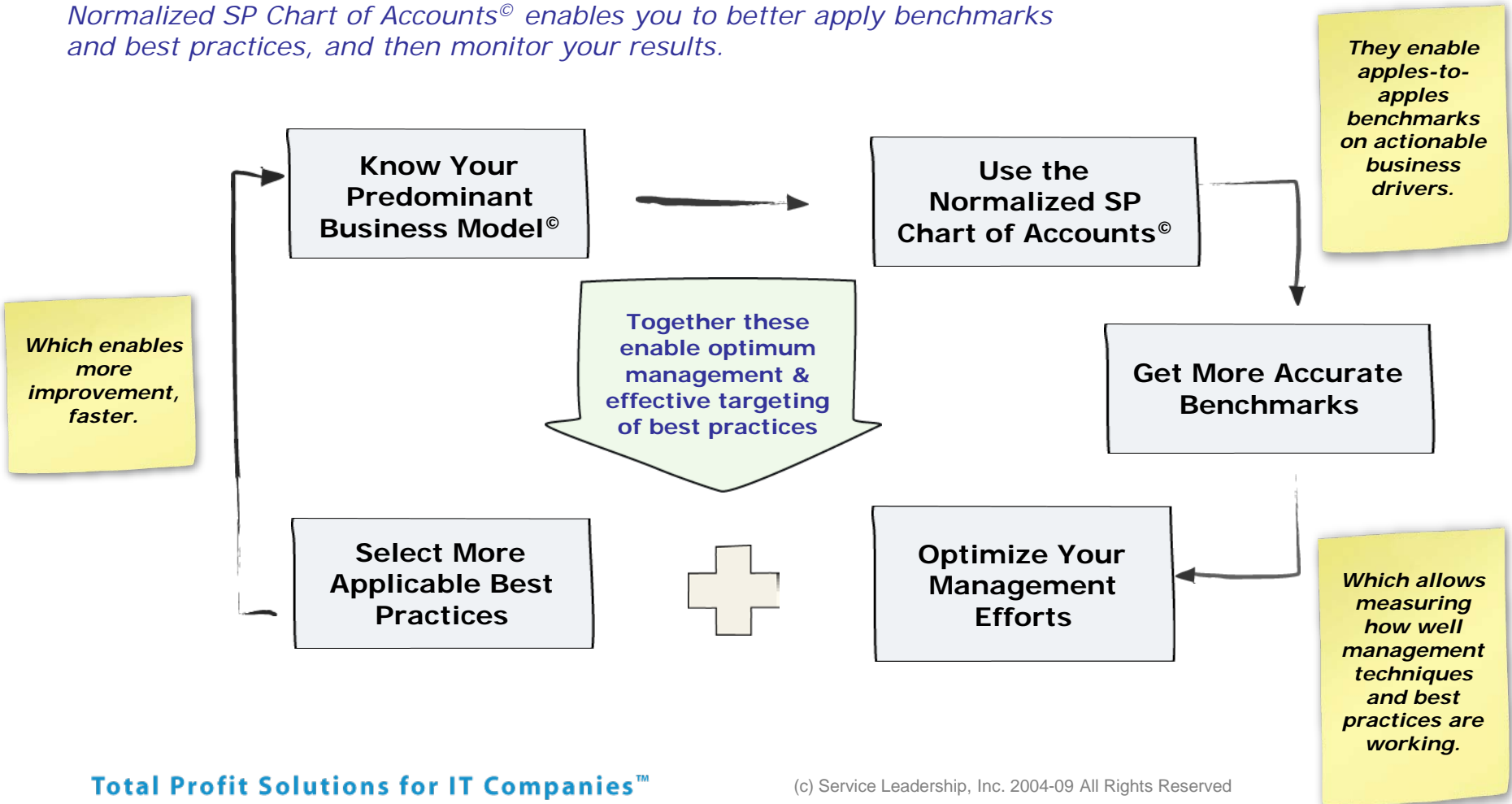
Enabling True SP Comparison

S-L Predominant Business Models[®] enable
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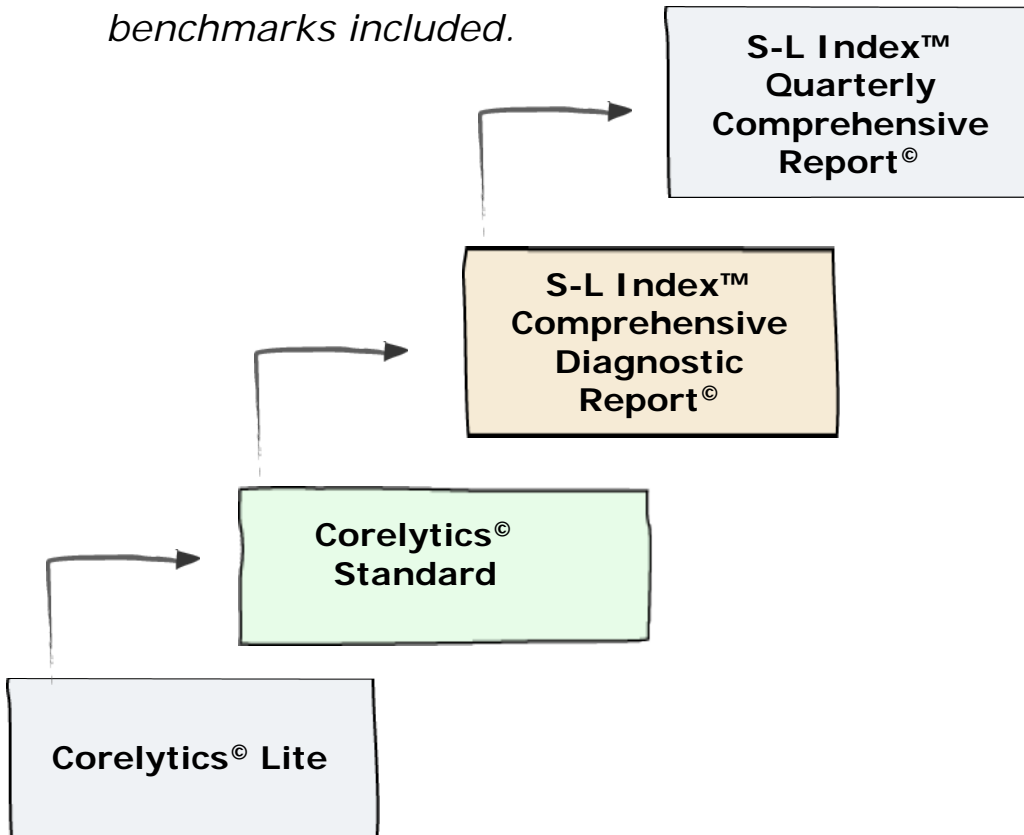
Beneficial Improvement Loop

Knowing your Predominant Business Model[®] and (optionally) using the Normalized SP Chart of Accounts[®] enables you to better apply benchmarks and best practices, and then monitor your results.



Benchmarking for Every Management Style

**Predominant Business Model©
calculated and S-L Index™
benchmarks included.*



S-L Index™	LOBs Analyzed	Cycle	Fee
Yes*	All Eight	Quarterly	\$2750 /yr
Yes*	All Eight	On Demand	\$399
Yes*	Five	Monthly	\$49/ mo.
Yes*	One	Monthly	Via Your Sponsor

Determine Your Predominant Business Model[®] Now !

www.findmypbm.com

*And learn how your PBM[®] effects
how you use benchmarks and
implement best practices.*